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Grant County Community Foundation

enriching lives through collective action



GRANT COUNTY COMMUNITY FOUNDATION

PLANNING STUDY
INTERIM REPORT
May 1, 2014

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INTRODUCTION

The Advisory Board of the Grant County Community Foundation is conducting a Planning Study to assess opportunities for fundraising programs in support of the mission and vision of the foundation.

The goals of the Planning Study are:

1. To share with the community's key leaders and opinion-makers the vision, mission and plans of the Grant County Community Foundation
2. To learn from these key leaders how the foundation can succeed in implementing its plans, including how to identify prospective donors and volunteers necessary for achieving its financial goals

The study seeks the advice and counsel of a wide range of knowledgeable community members through confidential interviews, or community conversations. Most interviews reflected in this Interim Report were conducted between January 1 and May 1, 2014. The interviews were entirely confidential and typically lasted between 45 minutes and one hour.

This Interim Report reflects findings from interviews with 41 key community leaders. A list of interview respondents, as of May 1, 2014, can be found as Appendix A of this report.

The Planning Study focused on assessing the following key elements that are essential components for any successful fundraising program:

The Case for Support

The case is the rationale for a fundraising program, the collective reasons that will persuade prospective volunteers to participate and convince potential donors to contribute. A compelling case for support is reflected in an organization's vision, mission, history, programs and services. In advance of their interviews, all respondents were provided an overview of the Grant County Community Foundations' case statement.

Leadership

Of the elements required for successful fundraising, strong volunteer leadership is the most critical. Nothing is more decisive than the active advocacy and assistance of an influential core of volunteer leaders. An organization's fundraising leaders must be capable of making high-level gifts or have entrée to and influence over potential donors at the highest giving levels. Fundraising leadership is the most direct conduit by which the case for support reaches the minds and hearts of donors.

Sources of Support

In most fundraising campaigns, the top 10% to 30% of donors provide up to 80% of the fundraising goal. Successful fundraising requires the strategic identification, cultivation and solicitation of donors likely to give at the levels required to successfully reach a specific goal.

Public Awareness

A positive image and effective public relations are vital elements in successful fundraising. Not only must an organization have a compelling case for support, but to create the proper “climate” for fundraising success, that case must be broadly known and accepted by volunteers and donors alike.

PART ONE

FINDINGS

This section of the report summarizes the candid, confidential opinions and suggestions offered by respondents during the study interviews.

The Case for Support -- Findings

Without exception, respondents praised the invaluable role of non-profit organizations in serving the needs of the Grant County community.

“Silver City is a wonderful model – it shines in areas like Santa Fe and Taos. I am so proud to represent a community with so many individuals and organizations doing such wonderful things...Their programs are amazing and unexpected in a town our size.”

“In a small rural economy the value of a non-profit is greater than in a larger city with a broader economic foundation. This fact is evidenced by the large number of non-profits here, each filling a void in needed services.”

“The value of our non-profits is huge. Not just in service to the community, but in the sense that they are also major employers

“Non-profits are imperative, especially in small communities because they provide services that wouldn’t otherwise be available. The key is to educate about the need for philanthropy to support non-profits.”

“It would be very sad without non-profits. A lot of people would be suffering from hunger.”

“Non-profits are a key to diversification of the local economy...they help to support the local economy.”

“Every day I learn a little something more about our local non-profits; each one seems to plug a different little hole but there is still a lot of Swiss cheese.”

“The funds that non-profits can bring into the county through federal and state grants and private donations are essential and provide a revenue source that is not otherwise available.”

Respondents strongly endorsed the value of the Grant County Community Foundation as a means to strengthening local non-profit organizations.

“This is very valuable. I think that it could have a very powerful community-building effect.”

“I feel the plans are extremely valuable for Grant County. The launch of the foundation is of utmost importance.”

“The Foundation’s funds would be very valuable for non-profits: of particular value would be how the foundation could help lessen the burden of constant resource development and fundraising.”

“Definitely good for the community and provides an infrastructure to support non-profits.”

Several respondents expressed the view that an important benefit of the foundation was its ability to “keep giving local.”

“It allows the money to stay in Grant County instead of being donated to major national organizations.”

“You can be sure that the money will stay in Grant County and be used as you direct because the Foundation will keep an eye on it. Even the non-profit recipients would do better. Most of my clients donate locally to the Western New Mexico University Foundation, the Humane Society or Habitat for Humanity. Still a lot of money goes out of state to national chapters of organizations.”

One respondent cited the story of a wealthy widow who had deep roots in the community but had left a bequest to a national ‘birding’ organization even though her involvement had been in the local community.

“People want to give local but don’t because they don’t know enough about potential recipients and organizations.”

One representative of a major corporation stated his “headquarters said they are excited and very interested that there is a community foundation.”

Not all respondents endorsed the value of the foundation. One high-profile individual indicated the proposed program “doesn’t add value to the community...the structure now in place is working.”

While the majority of respondents saw significant potential benefits for local non-profit organizations, several suggested the importance that the foundation takes the time to establish process and procedures that are beyond reproach.

“There absolutely must be transparency, accountability and a good process in place before you begin.”

“Transparency is crucial”

“Funding must be very fair”

“Serve the whole county, including unincorporated areas.”

“The foundation must fight to avoid any perception of favoritism within the non-profit community”

Several respondents commented on the role of the foundation in serving the philanthropic needs of donors.

“This is very important for donors. The foundation can give donors confidence in the longevity of their support and the assurance that the use of their money for the community will be well thought out, impartial and effective.”

“The Foundation would offer donors an easy process and confidence that their donations would be well-managed into perpetuity; not something that an individual non-profit can ensure or provide.”

“The community foundation can help the donors with bequests and provide the non-profits with resources that they can actually and immediately use.”

“I think it could be similar to the United Way concept...provides a single source for donors who don't really know the needs of certain entities.”

“The community is not tapping into the sense of urgency of older people to find a home for their giving.”

Two donors volunteered that they were interested in including the foundation in their own estate plan: “We give to organizations on a monthly basis. We would buy in. We have no kids. Our family is the family of man.”

Several respondents specifically applauded the foundation for clearly defining its mission and plans in the case statement. In some instances respondents offered advice for strengthening the document:

“Other groups did not think through these issues and have failed to keep their focus.”

“I found it very compelling. However, I did not like use of the word “permanence.” Not all organizations need to exist permanently; many times, an organization achieves its goal. In those cases, it's often appropriate for that organization to dissolve. Even if the

foregoing is a rare occurrence, I believe that non-profit culture needs to evolve in such a way that it's not a foregone conclusion that all non-profits will exist forever."

Leadership -- Findings

Many responded favorably when asked if they would be willing to accept a leadership role with the foundation

Numerous respondents expressed the importance of enlisting diverse and representative leadership.

"This can only succeed with community awareness and with representation and participation reflective of the broad and diverse community"

"I recognize that getting to the ranching community can be challenging, it is always difficult to bring folks with different politics to the same table."

"This may be a way to unify people; to bring the whole community together."

"New blood is needed; getting the next generation involved is critical. I like the idea of creating an opportunity for young philanthropists."

Sources of Support -- Findings

The study tested a fundraising goal to raise \$1.5 million in five years. Responses ranged from "It will be hard," to "Lofty," to "Ambitious and wonderful," to "Yes, or double that if handled right and you have the right people."

The value of planned giving through wills and estates was cited as an important opportunity to grow the community foundation.

"Having \$1.5 million in the bank in five years seems pretty ambitious for a county this poor. Having commitments, through wills and estate plans, for \$1.5 million seems more attainable."

"Very important... Sometimes people have a windfall and they don't know or can't decide which organizations to support. Some don't know how to go about donating money. Memorials are an important way to give, and a community foundation could help the families earmark money for good causes."

When asked if they knew of any other Grant County organization working to build an endowment fund, respondents cited Western New Mexico University and Gila Regional Medical Center Foundation.

Other fundraising strategies to build the foundation were discussed with interview respondents.

“Grant County does love its events, but whatever you do should be inclusive of all cultures, age ranges. Grant County is richly layered with a variety of ethnic groups with varied backgrounds.”

"As to a community run...there is a lot of money collected at those runs. A lot of folks would be interested...people come from all parts to run...all levels should be welcome.”

“A community run? I just don’t know. I don’t observe a lot of runners in our community. Truth be told, I’m a bit surprised at how few runners I see. A community walk perhaps. Such an event will take a TON of organizing. I would analyze the costs vs. the potential benefits very carefully.”

“Gifts through annual solicitations or events could be a good idea IF there are sufficient numbers of passionate volunteers. I call this the least bang for the buck.”

“Are we competing for the same space at the trough? In a small community everyone is always fundraising, it gets very challenging. Another auction or dinner...in the end, it just forces a donor to make a choice.”

Two individuals endorsed the idea of a unified special event: “I like the idea of the community foundation sponsoring something and all of the non-profits participating and supporting the event, and then the donors can direct their funds.”

Community organizations were not seen as significant sources of support: “Community organizations? Probably not...virtually all community organizations are stretched paper thin and have their own fundraising priorities to address.”

The prospects for fundraising from local business received mixed assessments:

“If support means donating money and doing organizing/outreach work for the community foundation, I would say, businesses are probably good prospects.”

“Key selling point is having businesses give directly to the foundation rather than handling all of the numerous requests they get all year long.”

“Businesses are struggling.”

Businesses do want to give back to the community and they do take part in and participate in a variety of organizations. The mining corporation primarily gives money, but the smaller businesses take a more active role. Probably need to educate the non-profits on how to be better stewards with their reporting responsibilities; they are not all used to providing reports.”

Public Awareness -- Findings

While interview respondents reflected broad experience in the local non-profit sector, the vast majority indicated they had little or no experience with or understanding of a community foundation. On the other hand, one respondent referred to his personal efforts at starting a community foundation some years earlier.

Several respondents indicated that building community awareness – educating the community – would be a critical condition for success in fundraising for the foundation.

“Bridging the gaps to bring all those people together requires visibility. Perhaps consider Town Hall Meetings to raise public awareness.”

“One on one meetings with key folks are very, very important, also the small focus groups.”

Three respondents singled out “social media” as an important strategy for the future.

One respondent cited the need for all volunteers to have a “canned” presentation to share with the public.

Additional ideas for building community awareness included a speakers’ bureau offering presentations to service and community organizations. “Visit both Chambers, local service clubs like Rotary and Kiwanis, lots of public forums, invite the community. Go to every club at every opportunity; prepare a visual presentation of the foundation.”

One respondent suggested the creation of a “Young Philanthropists” group to build future donors and community activists.

Two respondents cited the need for a government relations plan to build “ownership” and “buy-in” from elected officials.

PART TWO

CONCLUSIONS

This section of the report offers an analysis of available data and a determination of the probability for success for the proposed fundraising appeal.

The Case for Support -- Conclusions

There is a good case to be made for the Grant County Community Foundation. Its potential benefits to local non-profit organizations and the community at large were judged to be worthy by study respondents. The community foundation is able to claim an unduplicated “niche” of service to prospective donors and non-profit organizations. However, with only a few exceptions, the public has little experience in the principles that define a community foundation. If not addressed, this lack of experience and understanding could negatively affect the credibility and prospects for any fundraising campaign.

Leadership -- Conclusions

It bears repeating that the single most critical element for successful fundraising is strong volunteer leadership. Leaders must be capable of giving and/or getting financial support for the foundation.

The Grant County Community Foundation Advisory Board has shown itself to be an exemplary founding body. Through the study activities, the advisors have demonstrated their significant talents for advocating on behalf of the foundation.

For the foundation to succeed in achieving its stated fundraising goals, additional volunteer leadership must be enlisted. Attention is needed in expanding the number of volunteers capable of giving and getting high-level gifts, as well as knowledge of and experience in planned giving. During the study, a few key leadership prospects with such expertise were identified. A focused effort must be made to engage and to enlist the personal commitments of these key leadership prospects.

Sources of Support -- Conclusions

Successful fundraising requires the strategic identification, cultivation and solicitation of donors likely to give at the levels required to successfully reach a specific goal. The study tested a fundraising goal of raising \$1.5 million in five years. While there is a good case to be made for supporting the Grant County Community Foundation, the study did not reveal specific prospective donors with capacity and readiness to give at the levels needed to achieve such a goal. (Please refer to Appendix B, \$1,000,000 Gift Range Table). To achieve its fundraising

potential, the foundation must design and implement a meaningful program to identify, to educate and to engage lead and planned gift prospects.

In certain campaigns, a breadth of mid- and low- range gifts can help to compensate for some shortcomings on the lead gift levels. The result is a more broadly based gift range table. This is possible for a mature organization with an extensive donor base. For a new or a young organization, with no donor history, this strategy would accomplish little more than to compete with existing non-profit organizations for a highly limited pool of annual gift prospects.

Public Awareness -- Conclusions

To create the proper “climate” for fundraising success, an organization’s case for support must be broadly understood and accepted by both donors and volunteers. While there is a good case to be made for the Grant County Community Foundation, there is a general lack of understanding. Efforts must emphasize education as much as awareness.

As an introduction to the principles and opportunities of a community foundation, messages and materials might emphasize “personal human interest stories” offering specific, relevant examples of how successful community foundations have served donors, families and communities.

Because the foundation can lay claim to a unique, unduplicated “niche” of services to prospective donors and to the community, the foundation’s messages and materials might emphasize what distinguishes the foundation, how the foundation can represent a new way of thinking; a new way of making a lasting difference.

Consideration might be given to rethinking the purpose of special events and activities from fundraising to building awareness, understanding and participation in the foundation.

PART THREE

RECOMMENDATIONS

Based on analysis of the study findings and on the conclusions reached, the following recommendations are proposed:

The Grant County Community Foundation shall authorize a comprehensive capital campaign with an initial “working goal” of \$1.5 million. The flexibility of this goal must be accepted in principle, pending additional planning and initial fundraising. The campaign shall be comprised of two parallel fundraising initiatives:

1. Planned Giving Program to enlist \$500,000 in estate and/or outright gifts
2. Advancement Campaign to raise \$1 million in outright gifts and pledges payable over three to five years

Planned Giving Program

A permanent endowed community fund is the one most compelling opportunity for the foundation to truly expand philanthropic giving in Grant County. A successful planned giving program serves an unmet need for donors and their families, for non-profits and for the community. It is also an opportunity to offer a unifying effort that can reach beyond the barriers of a diverse community.

An immediate next step must be to develop a detailed marketing plan. The marketing plan must reflect the lessons learned from the community in the study. The plan must define a compelling message about the foundation and detail how that message shall be communicated to the community.

Strategies to reach donors might include brochures, speakers’ bureaus, social media, and events that raise visibility.

In addition to direct marketing to donors, the marketing plan should consider strategies to outreach to the network of non-profit organizations in Grant County. The foundation must not be seen as the province of a few organizations, but a resource for all non-profits and their volunteers.

Finally, a component of the marketing plan needs to inform allied professionals (CPAs, lawyers, financial and investment advisors) about the opportunities available to their clients.

The Planned Giving Program must also be prepared to go beyond marketing with personal follow-up and stewardship of donors.

Advancement Campaign

An Advancement Campaign to raise \$1 million in outright gifts and pledges payable over three to five years shall be considered. The flexibility of this goal must be accepted in principle, pending additional planning and initial fundraising.

A quiet preparatory period must be accepted to accomplish the following:

- Cultivate and enlist campaign leadership
- Initiate an intensive program of donor prospect identification, research and cultivation to support the campaign
- Develop all appropriate campaign policies
- Develop and approve a final campaign case statement and prepare appropriate campaign materials
- Develop a comprehensive community and public relations plan to support the message and the needs of the campaign

APPENDIX A

INTERVIEW RESPONDENTS

As of May 1, 2014

Pam Archibald
Janie Bowser
Suzi Calhoun
Kevin Cook
George Dworin
Mattie Eagle
Jeff Goin
Jovita Gonzales
Douglass & Katherine Gorthy
Lee Gruber
Diane Hamilton
Holley Hudgins
James Edd Hughs
Phyllis Jacobs
Jane Janson
Vicki & Don Johnson
Eddy Kartchner
Priscilla Lucero
Rudy Martinez
Christy Miller
Pamela Morgan
Mike Morones
Scott & Michelle Nichols
David Ogilvie
Neysa Pritikin
Ora Rede
Patty Reed
Mary Ann Sedillo
Joe Shepard
Howard & Corinne Smith
Gary Stailey
Tom Stewart
Suzie & Tony Trujillo
Kate Watson
Kathleen Wigley
Paul B Wilson

APPENDIX B
GIFT RANGE TABLE
\$1,000,000

| <u>Gift Size</u> | <u>Number</u> | <u>Amount at Level</u> | <u>Cumulative Amount</u> | <u>% of Total</u> |
|------------------|---------------|------------------------|--------------------------|-------------------|
| \$150,000 | 1 | \$150,000 | \$150,000 | 15% |
| \$75,000 | 1 | \$75,000 | \$225,000 | 23% |
| \$50,000 | 2 | \$100,000 | \$325,000 | 33% |
| \$25,000 | 6 | \$150,000 | \$475,000 | 48% |
| \$10,000 | 10 | \$100,000 | \$575,000 | 58% |
| \$5,000 | 20 | \$100,000 | \$675,000 | 68% |
| \$2,500 | 40 | \$100,000 | \$775,000 | 78% |
| \$1,000 | 80 | \$80,000 | \$855,000 | 86% |
| \$500 | 160 | \$80,000 | \$935,000 | 94% |
| <\$500 | 250 +/- | \$65,000 | \$1,000,000 | 100% |
| | | | | |
| | | | | |
| | | | | |
| | | | | |
| | 570 | Total gifts | \$1,000,000 | |